



DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Care Financing Administration

Center for Medicaid and State Operations

Family and Children's Health Programs Group

7500 Security Boulevard

Baltimore, MD 21244-1850

AUG 4 2000

Susan M. Chandler, M.S.W., Ph.D.
Director
Department of Human Services
P.O. Box 339
Honolulu, Hawaii 96809-0339

Dear Dr. Chandler:

Thank you for your July 31 response to our questions regarding your amendment to your State Children's Health Insurance Plan. As you are aware, your proposed amendment has been undergoing review by the Department of Health and Human Services. In order to proceed with our review, however, we require additional information. The enclosure explains more fully the areas that require additional information and clarification. From that listing, our major concerns are related to the following areas:

Section 2.3, relating to coordination: Section 2102(b)(3)(B) requires that children found through screening to be eligible for medical assistance under the State Medicaid plan are enrolled for such assistance under the plan. Please clarify how you will assure that title XIX-eligible children are not enrolled in title XXI prior to the completion of your HAWI system modifications.

Section 8, relating to premium payments. The federal Medicaid rules described in regulations at 42 CFR 447.50-59 apply to States that implement Medicaid expansion programs. We request additional information on the process for refunding, not crediting, premiums to families that have paid premiums.

Section 9.10, relating to the budget. Section 2107(d) requires that a State plan include a description of the budget that includes details on the planned use of funds and the sources of the non-Federal share of plan expenditures. Given that you will now be enrolling former QUEST-Net eligibles and uninsured children below 200% FPL in your SCHIP program, please revise the three-year budget provided in your response to questions dated May 5, 2000.

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Under section 2106(c) of the Social Security Act, HCFA must either approve, disapprove, or request additional information on a proposed title XXI State plan within 90 days. This letter constitutes our notification that specified additional information is needed in order to fully assess your plan. The 90-day review period has been stopped by this request and will resume as soon as a substantive response to all of the enclosed questions is received. The members of the review team would be happy to answer any questions you may have in regard to this letter and to assist your staff in formulating a response.

Again, we appreciate your patience and willingness to work with us on this matter. If you have questions or concerns regarding the matters raised in this letter, your staff may contact Christina Moylan at (4 10) 786-6 102 or Sue Castleberry at (4 15) 744-3597.

Sincerely,

Cindy Mann
Director

cc: Sue Castleberry, HCFA Region IX
Mary Rydell, HCFA Pacific Representative

Additional Information Request for Hawaii's Title XXI Amendment

Section 2.3

1. Section 2102(b)(3)(B) requires that children found through screening to be eligible for medical assistance under the State Medicaid plan under title XIX are enrolled for such assistance under such plan. We continue to ask detailed questions on this topic because the process by which you identify and enroll children in the appropriate program is an important issue for us and we need to have a clear understanding of your process in order to approve your amendment. If the anticipated implementation date for your system modifications should be delayed by unforeseen circumstances, we want to be assured that you have an adequate system in place to enroll children in the appropriate program. Please clarify how you will assure that title XIX-eligible children are not enrolled in title XXI prior to the completion of your HAWI system modifications.

Section 8

2. The federal Medicaid rules described in regulations at 42 CFR 447.50-59 apply to States that implement Medicaid expansion programs. Your letter states that families who have already paid a July premium will have their refund credited to the parents' future premiums. However, to receive enhanced federal match for children that have paid the premiums, these funds must be refunded, not credited, to the families. Please clarify the process for refunding premiums to families. If the State wishes to implement a process that includes crediting premiums, families must be given the option to either receive a refund or to have their account credited to apply to the parent's premiums due in the future.
3. Will the State no longer be collecting premiums from SCHIP-eligible families beginning August 1?

Section 9.3

4. Your July 31, 2000 letter indicates that the State "will explore the possibility" of using HEDIS proxy measures for children in fee-for-service systems. Please provide information on the measures that you will be using to assess quality for children in fee-for-service systems. If you will be using HEDIS, please clarify how these measures will be used to collect meaningful data given that you will be reporting all services without regard to continuing eligibility and/or breaks in eligibility. Please also clarify how the review of administrative data cited in addition to the HEDIS proxy measures will be used to assess quality of care for children in fee-for-service systems.

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Section 9.10

5. Section 2107(d) requires that a State plan include a description of the budget that include details on the planned use of funds and the sources of the non-Federal share of plan expenditures. Given that you will now be enrolling former QUEST-Net eligibles and uninsured children below 200% FPL in your SCHIP program, please revise the three-year budget provided in your response to questions dated May 5,2000.